

# EXHIBIT B

**Unknown**

**From:** Crossno, Bob  
**Sent:** Sunday, July 15, 2001 2:09 PM  
**To:** Langer Klaus; Rousseau, Pierre; jdepremare@airsec.fr; ejudek@airsec.fr  
**Cc:** Crossno, Robert; Cox Arnold; Woynicki Jean  
**Subject:** Home Diagnostic conversation

Friday I had a private phone meeting with Steve Gilmore, the R&D Manager for Home Diagnostic's. The purpose of my phone call was to try and gather more information from the people that worked on validating our tubes and stoppers, and are now involved in validating Capital Specialties.

Steve was extremely apologetic over the lack of information given us regarding H.D. going to a Capital Specialties (C.S.) tube. Steve said the process was extremely quick. The information given me by Kevin Clark, the buyer, and Steve Gilmore was they believe the Owner and V.P of Sales and Marketing, went to a trade show, saw the C.S. tube running on Kinematics insertion machines and was very impressed with the entire package.

According to Kevin and Steve, the company receives phone calls from consumers, primarily the elderly, complaining about how hard it is to take off the stopper from the tube. Kevin and Steve said our stopper was the best they have ever used, and was a marked improvement from Multisorb's and Sanners. But they believe the C.P. is the best in the market and will give them an initial edge in the market.

When the Owner and V.P showed interest in C.S. tube, the Owner of C.S. took ownership of this lead and offered to pay and bring in the insertion machine, and if H.D. likes the way the machine works with their tubes then H.D. will pay for the equipment. Basically C.P. is paying for the machine up front on belief that H.D. will eventually purchase it along with their tubes. This deal was unknown by many in the H.D. organization until a decision was made.

Steve told me that he believes that the entire Industry will eventually convert to this tube or to a strip dispensing unit. Steve said that we should immediately work on converting customers to the tube with hinge cap. If we don't C.P. will. He said this industry is growing rapidly. A couple of years ago, approximately 5.5% of Americans had some sort of diabetes, and required strips for testing. The number has gone up to approximately 6.5%, and they expect it to continue to grow.

Steve said our chances to regain this business with our tube/hinge cap are small right, but told us not to give up. Everyone in H.D. knows that we were one of their best vendors. Steve told me that they have a new test strip being launched in 12-18 month that is much smaller than the one they currently manufacture. The strip is the latest in technology, much like the Inverness strip. He said that this product will eventually take the place of their current test strip, and that it will require a different tube/hinge cap, and he will work with us to gain this business. He said that the current Kinematics Insertion machine that C.P. is selling is not able to handle the small tube they will need. Steve said the company really likes our rubber dispensing device that would fit in side the tube, and that it would be perfect for this new project. Would it be possible to show them samples of the Inverness tube we make. I know we can't sell it, but I would like to show them what we can do. Ten samples would be great.

The current business situation is not good for Home Diagnostics current test trip. We will continue to fight, but I think the reality is, the Capital Specialties type tube with 2AP type material inside with a hinge cap will take over as the primary packaging for glucose strips, and all other test strips. At least in the U.S. and possibly the world until a better packaging is introduced like a dispensing unit.

Steve also said that there are advantages to our tube with hinge cap that C.S. does not have. We can offer colored caps, we could offer to have the cap embossed with company logo, much less expensive than C.S.. He also wanted to point out that the C.S. tube/hinge cap is nicer than ours because it looks stronger, and more appealing. He did not think that this was much of an issue because price is one primary driver in this industry.

Jerome, when will you have the cost for the tube/hinge cap. The samples were to arrive last Friday or early this week, and they will be expecting a price. Your help is appreciated.

Bob

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**Defendant's  
 Trial Exhibit**

**D-139**

SCI012365